

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

In re

CITY OF DETROIT, MICHIGAN,

Debtor.

No. 13-53846

Chapter 9

HON. STEVEN W. RHODES

**EXHIBIT 65**

**APPELLEE STATE OF MICHIGAN'S DESIGNATION OF  
ITEMS TO BE INCLUDED IN THE RECORD ON APPEAL**

In connection with Notice of Appeal filed by  
William M. Davis and DAREA [Dkt. #8369].

<b>Item</b>	<b>Date Filed</b>	<b>Docket Number</b>	<b>Description</b>
65	7/28/2014	6389	Supplementary Objection to Chapter 9 Plan filed by Creditor Cecily R. McClellan

July 28, 2014

**Case No 13-53846**

**Judge Steven W. Rhodes**

**C/O Clerk of Court**

**Eastern District of Michigan**

**Southern District**

**211 W. Fort Street Suite, 1800**

**Detroit, Michigan**

FILED  
2014 JUL 28 P 3:25  
U.S. BANKRUPTCY COURT  
E.D. MICHIGAN - DETROIT

### **Supplementary Objection**

Objection Docket # 5961: The Fourth Amendment to the Plan has not been proposed in good faith and fails to disclose properly interest charged to annuity saving fund (ASF) upon recoupment.

The plans lack compliance with the requirements in Sec. 1129(a)(3) that "The plan has been proposed in good faith". The ASF recoupment is arbitrary and capricious in its structure and application and has no basis in law, fact or equity. The Debtor (city) compares the legal and legitimate interest on ASF returns to selected retirees as a Ponzi scheme (City's Consolidated Reply to Objections to Confirmation, Docket No.5034, p. 177). Therefore, it is fair to conclude that the Debtor lacks the ability to determine legally gotten verses ill-gotten ASF returns, and is motivated by something less than good faith.

The ASF recoupment has an annual lifetime interest of 6.75 on pensioners that retired between 2004 to 2013. This interest rate was not disclosed in the plain language documents or in Alternative A or B calculations of the proposed recoupment for individual retirees. Also, the Debtor is proposing to recoup funds solely contributed by creditor to their ASF and charge a lifetime interest of 6.75 to creditors to recoup their own monies. If there was nothing illegal related to the interest returned to the ASF, then how it is legal for the Debtor (City) to recoup funds and charge interest to do so. The recoupment will be deducted until the retiree dies and will continue at a lesser rate to the beneficiary. This process appears to discriminate and treats one subgroup in Class 11 unfairly.

Respectfully submitted by City of Detroit Retiree:



See identifying information

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